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UNCLAS STATE 102524

SENSITIVE  
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TEL AVIV FOR JASON GRUBB

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [IS](#)  
SUBJECT: BLUE LANTERN LEVEL 1: PRE-LICENSE END-USE CHECK  
ON GENERAL CORRESPONDENCE GC1964-09

REF: 08 GUATEMALA 482

1. (U) This is an Action Request. See paragraph 4.

2. (U) The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests Post's assistance in conducting a pre-license check on authorization request GC1964-09 for the retransfer of rifles from the Israeli Police to U.S. company Century Arms. Post is requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future licenses involving parties to this license.

3. (SBU) Reason for Request: U.S. company Century Arms has requested authorization for the retransfer of M1 carbines from the Israeli Police for importation into the United States. Century Arms submitted a letter from the Israeli Police signed by Commander Anat Gat of Nitzav Mishneh stating that the rifles were originally obtained via direct commercial sales and not/not a U.S. military assistance program. Another letter from the Israeli Police sign by Commander Moti Yona indicates that Israeli company Contact International (Kalia) won a public tender for these rifles and subsequently took ownership. Presumably, Century Arms will purchase the weapons from Contact International. Past issues with Century Arms suggests that the company may use unauthorized brokers to purchase firearms from foreign military stocks (see REFTEL for example). Also, any retransfer of U.S.-origin defense articles, whether acquired commercially or via a military assistance program, requires prior approval from the Department. This request is to clarify the roles of the parties involved and the circumstances under which these rifles were sold by the Israeli Police.

4. (SBU) Action Request: Post is requested to establish the bona fides of Israeli company Contact International (Kalia) and obtain more information on these transactions by making inquiries to representatives of the company and appropriate authorities of the Government of Israel. The following points are included for guidance:

(To Contact International)

--When was your company established and who are its principals?

--What products and services does your company provide? Who are your regular customers and where do they reside?

--How did you first learn of these M1 Carbines and the desire of the Israeli Police to sell them?

--Describe your role in this transaction. What specific services did you provide, if any?

--Describe the process through which you purchased these rifles. Please provide any documentation of your bid and your winning of the public tender.

--Has your company ever officially represented the interests of Century Arms?

--According to letters from the Israel Police, your company received 6,000 M1 Carbines. To whom will the other rifles be sold? Did the Israeli government provide you with documentation indicating that it had received re-transfer or re-export authority from the United States?

--How did you first learn of Century Arms' desire to purchase these rifles? What is the name of the Century Arms representative with which you have been doing business? Were you aware of Century Arms' desire to purchase these rifles before you sought to purchase them from the Israeli Police? Please provide any correspondence between your company and representatives of Century Arms involving this transaction.

--How did Century Arms pay for these rifles (e.g. cash, barter, etc.)? Did you receive any fees or commissions for your services in this transaction?

--Are you familiar with the regulations governing the brokering of U.S.-origin defense articles, including the requirement for foreign brokers of U.S.-origin defense articles to register with the U.S. Directorate of Defense Trade Controls?

(To Israeli Police)

--How were these Carbines originally acquired by Israel? Because different U.S. governmental authorities are involved, can you confirm with documentation that these weapons were acquired commercially?

--Any retransfer of U.S.-origin defense articles, whether acquired commercially or via a military assistance program, requires prior approval from the U.S. Department of State. Did you seek authorization for the retransfer of these rifles before selling them to Contact International? If so, please provide any related documentation.

--Can you confirm that these M1 Carbines were legally sold to Contact International (Kalia)? Please describe the process by which you sold these rifles to Contact International (Kalia).

--Have you had any correspondence with Century Arms regarding these rifles? If so, please provide details on the nature of these correspondence. Who is the representative of Century Arms with which you corresponded? Please provide any documentation you may have in this regard.

--Under what circumstances did you decide to sell these M1 carbines? Did you have a purchaser in mind when this decision was made?

--What role did Contact International play in this transaction? Were you ever under the impression that Contact International was an official representative of Century Arms? If so, please explain the circumstances that gave you this impression.

--To your knowledge, did Contact International receive any fees or commissions for its services in these transactions? If so, please describe.

(To Israeli Import/Export and/or Law Enforcement Officials)

--Is Contact International properly registered and authorized in Israel to export or broker defense articles?

In its reply, Post may also comment on any other information pertinent to these transactions such as suspicion of concerns about the entities involved.

15. (U) Details of license applications:

DTC Case: GC1964-09

QUANTITY/COMMODITY:

2,500 M1 Carbines, .30 Caliber

2,500 15-Round Magazines

License Value: Approx. USD \$550,000

US APPLICANT:

Century Arms, Inc.  
236 Bryce Blvd.  
Georgia, VT 05454

c/o Mark Barnes & Associates  
1350 Eye Street, NW  
Suite 1255  
Washington, DC 20005

SELLERS:

1A.

Israeli Police  
Head Quarters - Purchasing and Sales Department  
41 Baalei Hamelaha Ramla  
Israel  
Tel: 972-8-9124450

1B.

Contact International (Kalia)  
Haruvit 23  
98510 Mishor Adumim  
Israel  
Tel: None provided

PURPOSE:

For import into the United States and commercial resale.

16. (U) Submitted in support of the license application were the following documents (PM/DTCC will fax documentation to Posts upon request):

Letter issued by the Israel Police. Subject: Sale of M1 Carbine Rifles to Contact International (Kalia) Ltd. Signed by Anat Gal (Head of Purchasing and Sales Department) dated 11 April 2007.

Letter issued by the Israel Police. Re: Sale of Carbine Rifles. Signed by Anat Gal (Head of Purchasing and Sales Department) dated 18 June 2007.

Letter issued by the Israel Police. Subject: Sale of M1 Carbine Rifles to Contact International (Kalia) Ltd. Signed by Moti Yona (Head of Purchasing and Sales Department) dated 19 August 2009.

17. (U) Please slug reply for PM/DTCC - BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Kyle M. Ballard, Phone: 202-663-1929; Email: BallardKM@state.gov; SIPRNET: BallardKM@state.sgov.gov. The Blue Lantern Guidebook (ref) is available as a PDF file on Intellipedia: [http://www.intelink.gov/wiki/Blue\\_Lantern\\_End-Use\\_Monitoring\\_Program](http://www.intelink.gov/wiki/Blue_Lantern_End-Use_Monitoring_Program)

18. (U) Department is grateful for Post's assistance in this

matter.  
CLINTON